



HISTORY OF THE EUROPEAN UNION

AN AUDIO COURSE ON
THE ORIGINS AND
DEVELOPMENTS OF THE
E.U.

By Professor Richard T. Griffiths



Home Academy

Home Academy publishes courses and lectures on audio-cd.

Fascinating topics, from history to natural science, brought to you by the most engaging speakers. This way you can acquire knowledge in the car, on the train, on your bike or at home on the couch.

For more information, visit our website at www.home-academy.nl

Publication: Home Academy Publishers
President Kennedylaan 19
2517 JK The Hague, the Netherlands
P.O. Box 17111
2502 CC The Hague, the Netherlands
Tel: 070-3607613 Fax: 070-3455199
E: info@home-academy.nl

Recording: Sandro Ligtenberg (The Hague, 19 & 26 May 2004)
Voice introduction: Peter C. Vas Nunes
Music: Cok Verweij
Mastering: Frits de Bruijn
Design: ruth.bos@wxs.nl
Production: van der Sprong Automatisering B.V.

© Copyright 2004 Home Academy Publishers, The Hague (Netherlands)
ISBN 90 8530 007 X
NUR 77

All rights reserved. No part of this (audio)publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except under the terms of the Dutch Copyright Act of 1912, without the permission in writing of the publisher.

History of the European Union

An audio course on the Origins and Development of the E.U.
By Richard T. Griffiths

Table of Contents

Introduction:	5
Chapter 1:	6
The First Supranational Community: The European Coal and Steel Community	
Chapter 2:	7
A Missed Chance: The European Defence Community	
Chapter 3:	9
The Creation of the European Economic Community: The Rome Treaties	
Chapter 4:	12
Reactive Nationalism? De Gaulle and Europe	
Chapter 5:	16
Reactive Nationalism? The British Membership Problem	
Chapter 6:	19
1992. The Completion of the Internal Market	
Chapter 7:	22
The European Union: Economic and Monetary Union	
Chapter 8:	25
A Family of Twenty-five: EU Enlargement	
Timeline:	28
Literature:	33

Professor dr. Richard T. Griffiths



Professor dr. Richard T. Griffiths (1948) obtained his BSc(Econ) in Economic History and Russian Studies from University College Swansea (1970) and his PhD in History from Cambridge University (1977).

He taught European Studies at UMIST (Manchester) before being appointed to the chair of Economic and Social History at the Free University, Amsterdam. In 1987 he became Professor of Contemporary History at the European University Institute, Florence, where he directed the Institute's research project of the history of European integration. In 1995 he returned to the Netherlands as professor of Economic and Social History at Leiden University.

Professor Griffiths undertakes research on 19th and 20th century economic history and on historical and contemporary aspects of European integration. His recent works include *European Reconstruction: a comparison between post-war Europe and post-Soviet Russia* (Moscow, 2003, in Russian) and *Europe's First Constitution: the European Political Community, 1952-1954* (London, 2000).

Synopsis of the eight lectures on the History of European Union

Introduction

The history of today's European Union begins in May 1950 when the French foreign minister Robert Schuman offered to pool his country's coal and steel resources with those of France's enemy, Germany, under the control of a single supranational authority. A year later the governments of France, Germany, Italy and the Benelux countries signed the Treaty of Paris establishing the European Coal and Steel Community. Hereby, they relinquished their national sovereignty over heavy industry. Since then, the Community has been in constant movement; ebbing and flowing, but never still. Its subsequent development has often been described in two terms – widening and deepening. These are often juxtaposed, but unnecessarily so. By widening is meant expanding the geographical scope of the Community by accepting new members. By deepening is meant the assumption by the Community of new tasks or the acquisition by Community institutions of greater responsibility in executing the tasks it already has. These lectures explain the underlying reasons behind the main developments in the institutional architecture of the European Union.

To explain the milestones in that history it addresses three related questions

- The form: why was supranationality chosen?
- The timing: why did events occur when they did?
- The competencies: why were new policy areas chosen?

To answer these questions we eschew the clutter of day-to-day politics and negotiations and turn to deeper structural causes. The

result is a history that is richer and intellectually more satisfying than much of the more elegiac literature on the European Union that passes for history.

Chapter 1

The First Supranational Community: The European Coal and Steel Community

In May 1950 the French foreign minister Robert Schuman offered to place French coal and steel industries, together with those of Germany, under the control of a single supranational authority. The result, he suggested, would be to make a future war between the two states “not only unthinkable but materially impossible”. So began the process of institution-building that would lead to today’s European Union. Much historical writing takes Schuman’s speech at face value; that this was meant as a first step towards federation and that its intent was to avoid any future war. However, there is no direct link running from the European federalist movement to the drafters of the Schuman Plan. Nor, though the US authorities espoused federalist aspirations for Europe, and were in a position to exercise considerable economic leverage, is there any link between the US administration or its representatives and the drafters of the Plan.

The author of the Plan was Jean Monnet, head of the French Planning Bureau, and his inspiration came not from federalist writers but from his experiences in America under the New Deal. Nor was he immediately concerned with building future federations or preventing future wars. Rather he was disturbed by what would happen to French heavy

industry once Germany began to exercise its new democratic freedom. He needed to find a way to control that freedom, and in the Schuman Plan he found it. You can only control the actions of one nation if you are willing to place your own actions under the same control and under the same conditions. In this way, only five years after the end of Nazi occupation, did Schuman make the recovery of German sovereignty acceptable to France. In the process he laid the foundation for a new form of international governance in Western Europe.

Timeline of main events

May 1940:	Nazi invasion of Western Europe
May 1945:	End of World War II in Europe
June 1947:	General Marshall offers US reconstruction aid for Europe
September 1949:	Creation of the Federal Republic of Germany
May 1950:	Launch of Schuman Plan
April 1951:	Signing of Treaty of Paris establishing the European Coal and Steel Community

Chapter 2

A Missed Chance: The European Defence Community

In June 1950 North Korea invaded the South. The American authorities were worried about a flare-up of hostilities elsewhere and called for the rearmament of Germany to bolster defences in Western Europe. Thoroughly alarmed by the turn of events, French policy-makers hurriedly turned to supranationality as a means of control. French Prime-minister René Pléven announced that France would only

countenance German rearmament if it took place within the context of a European Defence Community (EDC). This lecture places some reservations by this traditional account of the origins of the EDC, but then goes on to examine the full implications of the project against the backdrop of the current EU goal of creating a “rapid reaction force” of 60,000 men.

The EDC would have embraced all the land forces of the Six, and the defence budgets, placed them under supranational control. Again the French idea was to use supranationality as a control mechanism, directed at the Germans, but accepted by themselves. However, the EDC treaty went further than this by containing clauses that actually discriminated against Germany. After the treaty was signed the Six undertook the creation of a more permanent political foundation for the new Community. If you have an army, you need a foreign policy to determine against whom it is ever to be used. This task was entrusted to a group of parliamentarians of the member states, and they produced a draft European Political Community treaty in May 1953. This contained a two-chamber legislature, one directly elected and the other made up of national parliamentarians, and an executive. The national governments were assigned only a limited advisory role. The treaty also assumed the right to move outside the competencies of the existing communities, into economic spheres as well.

At this point, the structure began to unravel. The French had originally conceived the EDC to control Germany, but now it faced submitting its own defence, colonial and foreign policy to a degree of supervision that had not been envisaged. French strategy took two forms. First,

they exacted concessions removing (parts of) its forces from the provisions of the treaty. Second, they reintroduced national controls within the EPC. Even then, the successive French governments (which had been moving gradually to the right) proved reluctant to submit the treaty for parliamentary ratification, and when it did, it was rejected. And the entire edifice came tumbling down.

Timeline of main events

March 1948:	Creation of Brussels Pact
April 1949:	NATO treaty signed
August 1949:	First Soviet atomic test
April 1950:	NSC-68
June 1950:	Outbreak of Korean War
September 1950:	US calls for German rearmament
October 1950:	Pléven Plan for a European Defence Community (EDC)
May 1952:	Signing of the EDC Treaty
May 1953:	Completion of Draft Treaty for European Political Community
August 1954:	French Assemblée rejects EDC Treaty

Chapter 3 The Creation of the European Economic Community: the Rome Treaties

The Rome treaties created two new supranational communities; one devoted to atomic energy (Euratom) and a European Economic Community with a common market at its core.

With the failure of the EDC in 1954, Europeans were faced with the prospect of a void and they searched to new supranational projects with which to relaunch Europe. Jean Monnet, now head of the European Coal and Steel Community, favoured expansion into traditional energy or transport or even the creation of an atomic energy community, which the French wanted. At the insistence of the Dutch he was forced to include a common market into the scheme, even though he knew that the current French government would be opposed. In this way the “relaunch of Europe” is usually explained; the main force of logic is that of maintaining the supranational momentum, the actual competencies seem almost inconsequential. If one starts the analysis with the competencies, especially the common market, then one arrives with a very different story.

The common market idea originated in the Netherlands and it emerged after years of wrestling with very specific issues of trade. After the War it was anticipated that the German economy would be held down for several years, and that this would affect vital supplies for Dutch industry. This was the logic behind Benelux, which was formed during the war. Belgium would be able to supply many of the products the Dutch needed, giving Belgian industry the chance to permanently replace Germany in that market. The problem was that Dutch purchases from Germany were matched by agricultural exports and by shipping services, neither of which Belgium wanted or required. Very soon after the War, the Dutch government determined that it would join no further regional group that did not include Germany.

Another strand of Dutch policy emerged in the early 1950s. Western European trade was booming, partly under the influence of a Western European scheme to remove quantitative restrictions (quotas and licences) on their mutual trade. However the Dutch were unsatisfied because many countries still maintained protective tariffs, because the scheme did not attack state import monopolies (which were prevalent in agriculture) and, most important of all, because any country in balance-of-payments difficulties could unilaterally reverse its concessions. Both Germany and the UK had done exactly this. The way to prevent this would be a customs union, since this would imply the renunciation of all trade barriers between the member states (and therefore preventing their reimposition). That customs union, of course, would have to include Germany.

The chance to introduce the customs union onto the agenda came during the European Political Community negotiations, where it proved acceptable in principle, to five of the six members. For this reason, the Dutch wanted it included in the “relaunch”. Unfortunately the dissenting voice was France, which explains why Monnet was so reluctant to include it. A new French government in January 1956 brought a shift in this position, albeit with safeguards for the French economy, and it had the windfall of giving the Dutch a strong ally in their attempts to include agriculture within the new Community. Supranationality was not a priority. If one looks at the treaty, for example on the customs union clauses, it is determined in great detail. The task of the Community is to implement it. On the other hand, the clauses on agriculture provide a framework for decisions, and the future form of the policy is left to the Community institutions.

The reason for this is that after the Suez crisis the durability of the French government (and the parliamentary majority necessary to secure ratification) was called into question, there was no longer enough time to negotiate in detail, so that was left for later. This had the added advantage of pleasing federalist opinion in each of the member states... and antagonising nationalist sentiments.

Timeline of main events

- September 1944: Creation of Benelux
- November 1952: Dutch propose customs union to Six in context of European Political Community (Beyen Plan)
- December 1953: US “atoms for peace” initiative
- June 1955: Six ECSC ministers meet at Messina and “relaunch Europe”. Start of negotiations for European communities for a common market and atomic energy
- January 1956: Pro-European government comes to power in France
- November 1956: Suez crisis
- March 1957: Signing of the Treaties of Rome establishing the European Economic Community and Euratom

Chapter 4 **Reactive Nationalism? De Gaulle and Europe**

The early years of the Community, under its first President Walter Hallstein, were ones of startling achievement. It built up an organisation from almost nothing, it completed the construction of the customs

union and the implementation of the common agricultural policy eighteen months ahead of schedule, it started and completed the first major “trade round” within the GATT, it negotiated a complex preferential arrangement with former colonies and it undertook a major enlargement negotiation. Yet it is not Hallstein’s name that is identified with this period, but that of General Charles de Gaulle, president of France.

De Gaulle came to power in 1958 and remained president until 1969. His name became synonymous with extreme French nationalism and a deep antipathy towards supranationality. For the fledgling Communities his memory in inextricably interwoven with three main developments:

- the Fouchet Plan
- UK membership, and
- the “empty chair crisis”

The Fouchet Plan represented an attempt to create a “political union of Europe” outside the existing Community structure. It would deal with foreign policy and Defence through the medium of regular meetings of heads of government (agreeing by unanimity) and it would have its own small organisation. Indeed it is very close to the way we deal with foreign and security policy today. At the time, it was seen as a major challenge to the supranational direction of European policy, especially in the Netherlands which stood almost alone in its opposition. Fortunately de Gaulle intervened by giving an almost acceptable draft treaty a few extra twists. By removing any reference to Atlantic cooperation, by weakening references to close relations with the existing Communities and by opening the possibility of the organisation

undertaking economic tasks, he solidified a Benelux front which brought the project to an end.

In the UK, it is the famous “non” to UK membership, with which de Gaulle is associated. The myth, created almost immediately afterwards, was that the accession negotiations were all but settled and that de Gaulle had to resort to such crass means to torpedo the scheme. In fact it could be argued that the negotiations had reached an impasse during the previous summer and that the veto merely dispensed with the pretence that there was hope. The real reasons behind de Gaulle’s move are probably those cited in the literature – a fear that the UK would disrupt the cozy duumvirate the French had established with Germany in European affairs and a concern (reinforced by the Polaris missile deal with the US) that the UK would be an American stalking horse in Europe.

The “empty chair” crisis occurred in mid-1965 when France boycotted the Community over plans to advance supranational elements in the operation of the Community. One of these was to implement the clause in the Treaty of Rome requiring the move to majority voting in the Council of Ministers. After seven months, the French were induced by the famous “Luxembourg compromise” to return to the fold. The core of the compromise was that majority voting would not be implemented in cases of “vital national interest”; each country was the sole judge of when that should be.

The three case studies provide a solid case for de Gaulle’s anti-Community credentials. However the lecture suggests that this view

should be modified. For example, de Gaulle did not utilize any of the escape clauses when assuming France’s obligations to cut its tariffs under the Treaty. Moreover the Dutch should have been grateful that at vital stages in the Community’s development it found a powerful ally in France in insisting that agriculture be treated on an equal footing with developments. Whether that was such a good thing for the rest of the world is another question.

Timeline of main events

January 1958:	Rome treaties enter into force. Walter Hallstein first president of the European Commission
June 1958:	General de Gaulle elected President of France
January 1959:	France implements its first obligations in creating the EEC customs union
February 1961:	French launch Fouchet Plan for “political union of Europe”
August 1961:	UK applies for EEC membership
December 1961:	Marathon negotiations of the common agricultural policy
Spring 1962:	Failure of Fouchet Plan
January 1963:	De Gaulle vetoes UK membership
July 1965:	France boycotts all EEC meetings
January 1966:	“Luxembourg compromise” brings France back to the EEC
May 1967:	UK applies again for EEC membership
November 1967:	De Gaulle vetoes UK membership
April 1969:	De Gaulle resigns

Chapter 5

Reactive Nationalism? The British Membership Problem

The resignation of de Gaulle in 1969 removed an implacable opponent of British membership from the political scene and opened the way for the Hague summit to restart negotiations. In 1973 the UK, Denmark and Ireland all became full members of the European Communities. A long-cherished hope of the Benelux countries that the process of European integration had acquired a force for democracy and progress seemed fulfilled. All too soon these hopes were dashed and the Communities were confronted with a renewed surge of nationalism from across the channel.

The UK government had known before joining that membership would entail costs, mostly because of the operation of the Common Agricultural Policy (CAP). The UK would be a net payer into the Community budget, this would place a slight extra strain on the balance-of-payments and food prices would rise. These costs were deemed acceptable because entry into the EEC would provide growing markets for British industry. Unfortunately membership coincided, nine months later, with the start of the first oil crisis. The UK economy was confronted with growing budget deficits, a worsening balance-of-payments and spiraling inflation. And the overall slow-down in growth meant that there were no growing markets to expand into. What had previously been accepted with equanimity now became a cause of political debate.

A new Labour government demanded that the terms of entry be renegotiated to redress the budget imbalance, to control the CAP

(which was seen as the source of the problem) and to provide a better deal for former British colonies. In 1975 the results were put before a referendum, where they received a healthy endorsement. However, the referendum did not settle the issue. It was to fester for almost a decade, often threatening to paralyse Community decision-making and poisoning, possibly irrevocably, British attitudes towards European integration.

The common agricultural policy was not reformed. The budget deal addressed Britain's contribution, but not its net position. As one of the poorer members, with serious economic problems, the UK was, with Germany, the largest contributor to the budget. The 1979 elections made Margaret Thatcher the new prime-minister. She was determined to abandon the post-war "consensus" determining the direction of British politics and was vehemently opposed to government interference, especially from abroad. Her first task was to secure a new budget deal for the UK and, when that was achieved at Fontainebleau in June 1984, she launched a determined crusade against further integration. Although she accepted new initiatives to "complete" the common market, she vehemently opposed what she saw as creeping socialism emanating from Brussels. In 1990 she resigned from power over the issue of local government reform, having been abandoned by almost all her senior cabinet colleagues over her attitude towards Europe. She was the longest serving prime-minister of the twentieth century and most of her hard-fought domestic reforms have never been reversed.

Timeline of main events

- December 1969: Hague summit opens membership negotiations with UK
- January 1973: UK, Denmark and Ireland join European Communities
- September 1973: Start of the first oil crisis
- Spring 1974: UK demands renegotiation of the Accession treaties
- June 1975: UK referendum votes in favour of renegotiation terms
- May 1979: Margaret Thatcher becomes UK prime-minister
- June 1984: Fontainebleau summit finally resolves British budgetary problem
- January 1985: Jacques Delors becomes President of European Commission
- March 1985: process started that will lead eventually to Single European Act
- September 1988: Thatcher's "Bruges Speech"
- November 1990: Thatcher resigns

Chapter 6**1992: the Completion of the Internal Market**

Jacques Delors was born the same year as Margaret Thatcher. Soon after she became prime minister, he had been finance minister of France's first socialist government and had supervised over its disastrous social experiment. His talk of a social Europe and of increasing the scope of Community action was anathema to Thatcher. His presidency (1985-1994) has left an indelible mark of the European Union of today:

- He steered through the Single European Act (SEA) completing the internal market
- He initiated the process of an economic and monetary system
- He opened the door for EU membership for former Communist countries in east and central Europe.

The SEA comprised a schedule of almost three hundred pieces of legislation required to create one single internal market. The decisions would be taken by majority voting and the schedule was envisaged to be completed by 1992.

The question arises as to why the common market needed "completing" since it had presumably been included in the Treaty of Rome. However, the EEC had only created a customs union, which involved the elimination of all internal frontier barriers to trade in goods and the erection of a common barrier towards the rest of the World. Tariffs (import taxes) and quotas might have been eliminated on traded goods, but that did not mean that they moved freely through the Community. Moreover, in the wake of the first oil crisis states had tried to protect

industries by other means. The customs union did nothing to promote trade in services. Services had increased in economic importance since the mid-1960s, but to stimulate international trade the elimination of frontier measures is not sufficient; it requires legislation allowing freedom to establish branches or businesses in other countries.

Moreover, for a common market to function well, there should not only be freedom in goods and services, but also in the means to produce them. As far as labour was concerned, the Community had made great progress, but nothing had been done for the movement of capital. Much domestic capital was still governed by domestic legislation dating from decades earlier when European governments had been obsessed with capital shortage.

If we accept that the common market was indeed imperfect, the question remains why efforts to change matters occurred in the mid-1980s. The answer lies to profound changes in attitudes in Europe towards the relationship between government and the economy. When the economic slow-down following the first oil crisis became apparent, the first reaction was to look for appropriate policy instruments to remedy the situation. This led to a major controversy over which instruments to employ. Slowly, however, the realisation grew that Europe's problems were not cyclical but structural. Removing market impediments would provide a stimulus to the economy and allow firms to reap the benefits of size and scale.

"1992" was not only notable for the completion of the internal market. The SEA was accompanied by a renewed Community effort to pro-

mote the development of Europe's poorer regions, with better policy and a larger claim on funding. For the latter to occur, however, required that the expenditure on agriculture be brought under control. After piece-meal experimenting, in 1992 the Community accepted a package of measures known as the MacSharry reforms that curbed spending and shifted the basis of agricultural support. The reforms made possible the conclusion of the Uruguay Round two years later, allowing deep cuts in industrial tariffs. Finally, 1992 was the year in which the Treaty of Maastricht was signed.

Timeline of main events

June 1985:	Commission publishes proposals for "completing" the internal market
February 1986:	Signing of Single European Act (SEA)
June 1987:	SEA enters force
January 1992:	95% of SEA legislation completed on time
February 1992:	Signing of the Treaty of Maastricht (Treaty of European Union)
May 1992:	MacSharry reforms of Common Agricultural Policy accepted

Chapter 7

The European Union: Economic and Monetary Union

If in 1952, when the European Coal and Steel Community began to function, someone had said that there would be a single currency in Europe within fifty years, he would have been ridiculed. Although its full impact has yet to be appreciated, the creation of economic and monetary union is the most significant single step forward towards European integration since the launch of the Schuman Plan.

International monetary transactions had not entered European institutional architecture in the post-war years because they were supposedly under the remit of the Bretton Woods agreement. This had a world-wide scope and it inaugurated an international regime based on the principles of freely convertible currencies and fixed exchange rates. The system was underpinned by an International Monetary Fund, to advance currencies to allow countries to fend off speculation while they undertook the necessary economic adjustments. However, by the end of the 1960s, the system was coming under increasing strain and in 1973 it collapsed altogether. We now live in a World where fluctuating exchange rates are the norm. They do impose “costs” on transactions, but there are plenty of ways of reducing these. For the EEC, however, exchange rate instability imposed an extra complication.

In 1969 the French Franc devalued and the German Marc revalued. This created complications for the regime of uniform target prices established for the common agricultural policy. Instead of abandoning the whole policy, the EEC introduced a complex system of currency

subsidies on agricultural trade (known as “green currencies”) that further increased the cost of the policy. One way to avoid this, would be to attempt a single European currency. So the Werner plan was born.

The Werner Plan, which was accepted by the Six in March 1971, aimed at achieving economic and monetary union by 1980. The first step would be to reduce the margin of fluctuation among member currencies. By dint of unfortunate timing, the oil crisis blew a hole through whatever (remote) chances the plan had ever had of succeeding. Even before that moment, Britain, France and Italy had all allowed their currencies to depreciate. For the UK and Italy this would be the start of a spiral into economic chaos not hitherto experienced in the post-war World. In fact, by the mid-1970s the only currencies seeming tied together were those of Germany, the Benelux countries and Denmark.

By now it was becoming apparent that the currency chaos represented more than a marginal cost for business or an extra layer of expenditure upon an ever more bizarre common agricultural policy. The swings in levels of economic activity were rebounding on closely intertwined neighbouring economies that had become ever more interdependent since the 1950s. Moreover, it was obvious that it was unrealistic for individual countries to resist massive speculation without closer Central Bank cooperation.

In December 1978 a new attempt at currency coordination, known as the European Monetary System (EMS), was launched. Several months later an Islamic republic was established in Iran and the second oil

crisis had begun. As in the first oil crisis, waves and waves of speculation battered European currencies and only by regular currency re-adjustments was the fiction maintained that there was anything other than a paper agreement joining Europe's currencies. But after 1983 the situation stabilised and more countries joined the EMS. It was against this background that the goal of moving beyond the EMS and into a true monetary union became a cornerstone of the Treaty of Maastricht. And despite a last, vicious round of speculation that almost derailed the entire scheme, the process of monetary union among twelve of the fifteen states of the European union was completed in January 2002.

Timeline of main events

July 1944:	Bretton Woods agreement lays foundations for postwar monetary system
March 1971:	EC accepts Werner Plan
Sept-Dec 1973:	Start of First Oil crisis
December 1978:	Relaunch of European Monetary System
April '79-Sept '80:	Start of Second Oil Crisis
June 1988:	Delors Committee starts deliberations on economic and monetary union (EMU)
February 1992:	Signing of the Treaty of Maastricht (Treaty of European Union)
Sept '92-Aug '93:	Periodic speculation against currencies of European Monetary system
January 1994:	Second stage of EMU begins (supervision by European System of Central Banks)
January 1999:	Third stage of EMU begins (irrevocable linking of

currencies)

January 2002: The Euro replaces national currencies in member states

Chapter 8

A Family of Twenty-five: EU Enlargement

The European Union has continuously been expanding its membership. However the most recent enlargement, that took effect in May 2004, has been the largest to date in terms of population and the number of governments. In terms of economic size, it is far less dramatic. If we look back at enlargement from an historical perspective, we have to realise that for each generation of new members, the challenge of membership has changed. The European Union has developed from the customs union (and agricultural policy) that formed the main obligations in 1973. Spain and Portugal joined a Community that was well on the way to agreeing the completion of an internal market, with considerably greater competition across the board. In 1995 Austria, Finland and Sweden joined a Union with aspirations to monetary union and the construction of new policies on foreign and security policy, internal affairs and justice. The new wave joins at a moment when the monetary union is a fact but where new security challenges have to be met. In other words, the threshold of membership has progressively risen.

Against this fact, we have to consider the capacities of the new members. In 1973, only Ireland was significantly poorer than the rest, but the Mediterranean enlargement of the 1980s added three poor

members to the Community. The 1995 enlargement redressed the balance in favour of richer countries. But the most recent enlargement had brought problems of relative poverty not previously experienced by the Union. Hungary, Slovakia, Poland and the Baltic states have per capita national incomes less than half that of the EU(15) average.

This shifting balance between challenge and capacities has necessarily altered the way the Union has prepared for enlargement. In 1973, the new members were basically told to accept the *aquis* (the body of legislation, directives etc. making up the Community) and, after a transition period, to make the best of things. We have seen how this contributed to strengthening anti-European feelings in the UK ever since. With the Spanish enlargement, the Community not only allocated funds to itself to prepare for Spanish competition, but actually discriminated against Spanish exports. Of course, once Spain was a member, its protests succeeded in removing this unfair treatment and it even managed to expand the scope of the CAP in its own favour. With the recent enlargement, the EU seemed only partially to have absorbed the lessons from these experiences. For example, they insisted that economic and institutional transformation should be completed before membership, but initially this was left largely to the countries themselves. Only later did the EU recognise that without adequate assistance, the transformation process might actually fail, and was a concerted pre-accession strategy prepared. As for not penalising new members, it will be interesting to see how the restrictions on Polish agricultural and labour movements play out in the coming months.

Whether the new members will benefit economically, the record is mixed. Since the 1990s, there has been a large transfer of resources to the poorer regions. However, only in Ireland has there been a (truly spectacular) period of growth. In Spain, Portugal and Greece the record is more ambiguous. Economic forecasts (for what they are worth) allow for a catch-up growth among the new members of some five cent a year. However, this is likely to be accompanied by higher than EU average levels of inflation, which will complicate exchange rate stability, and their progress to EMU.

One thing is clear, the increase in size (widening) has never proved incompatible with new tasks or more supranationality. In a way, this is inevitable. More members need more adaptable decision-making structures. The new members have new needs, and this stimulates new policies. And existing members might use enlargement (or the need for their approval) as a means for securing concessions for themselves. The result is not tidy, but it is not stagnation.

Finally, new members mean new frontiers and new neighbours. It almost always prompts a search of an identity. What is Europe, where does it stop? That search for oneself is conducted in the context of others. We are what they are not, they are not what we are. This search can take on rather unpleasant undertones, as are beginning to be visible in the discussion of future enlargement, for example towards Turkey. One last observation. When Schuman made his speech in May 1950 most Frenchmen saw their neighbours are bloodthirsty, arrogant, murdering swine. The basis of the plan was not love, it was control. That is as clear a message now as it was then.

Timeline of main events

January 1973:	Denmark, Ireland and UK join European Communities
January 1981:	Greece joins European Communities
January 1986:	Portugal and Spain join European Communities
June 1993:	Summit in Copenhagen opens door for former communist countries to join, but establishes three criteria for membership
January 1995:	Austria, Finland and Sweden join European Union
May 2004:	Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

Timeline 1940-2004

May 1940:	Nazi invasion of Western Europe
July 1944:	Bretton Woods agreement lays foundations for postwar monetary system
September 1944:	Creation of Benelux
May 1945:	End of World War II in Europe
June 1947:	General Marshall offers US reconstruction aid for Europe
March 1948:	Creation of Brussels Pact
April 1949:	NATO treaty signed
August 1949:	First Soviet atomic test
September 1949:	Creation of the Federal Republic of Germany
April 1950:	NSC-68
May 1950:	Launch of Schuman Plan
June 1950:	Outbreak of Korean War
September 1950:	US calls for German rearmament

October 1950:	Pléven Plan for a European Defence Community (EDC)
April 1951:	Signing of Treaty of Paris establishing the European Coal and Steel Community
May 1952:	Signing of the EDC Treaty
November 1952:	Dutch propose customs union to Six in context of European Political Community (Beyen Plan)
May 1953:	Completion of Draft Treaty for European Political Community
December 1953:	US “atoms for peace” initiative
August 1954:	French Assemblée rejects EDC Treaty
June 1955:	Six ECSC ministers meet at Messina and “relaunch Europe”. Start of negotiations for European communities for a common market and atomic energy
January 1956:	Pro-European government comes to power in France
November 1956:	Suez crisis
March 1957:	Signing of the Treaties of Rome establishing the European Economic Community and Euratom
January 1958:	Rome treaties enter into force. Walter Hallstein first president of the European Commission
June 1958:	General de Gaulle elected President of France
January 1959:	France implements its first obligations in creating the EEC customs union
February 1961:	French launch Fouchet Plan for “political union of Europe”
August 1961:	UK applies for EEC membership

December 1961: Marathon negotiations of the common agricultural policy

Spring 1962: Failure of Fouchet Plan

January 1963: De Gaulle vetoes UK membership

July 1965: France boycotts all EEC meetings

January 1966: "Luxembourg compromise" brings France back to the EEC

May 1967: UK applies again for EEC membership

November 1967: De Gaulle vetoes UK membership

April 1969: De Gaulle resigns

December 1969: Hague summit opens membership negotiations with UK

March 1971: EC accepts Werner Plan

January 1973: Denmark, Ireland and UK join European Communities

January 1973: UK, Denmark and Ireland join European Communities

September 1973: Start of the first oil crisis

Sept-Dec 1973: Start of First Oil crisis

Spring 1974: UK demands renegotiation of the Accession treaties

June 1975: UK referendum votes in favour of renegotiation terms

December 1978: Relaunch of European Monetary System

April '79-Sept '80: Start of Second Oil Crisis

May 1979: Margaret Thatcher becomes UK prime-minister

January 1981: Greece joins European Communities

June 1984: Fontainebleau summit finally resolves British

budgetary problem

January 1985: Jacques Delors becomes President of European Commission

March 1985: process started that will lead eventually to Single European Act

June 1985: Commission publishes proposals for "completing" the internal market

January 1986: Portugal and Spain join European Communities

February 1986: Signing of Single European Act (SEA)

June 1987: SEA enters force

June 1988: Delors Committee starts deliberations on economic and monetary union (EMU)

September 1988: Thatcher's "Bruges Speech"

November 1990: Thatcher resigns

January 1992: 95% of SEA legislation completed on time

February 1992: Signing of the Treaty of Maastricht (Treaty of European Union)

May 1992: MacSharry reforms of Common Agricultural Policy accepted

June 1993: Summit in Copenhagen opens door for former communist countries to join, but establishes three criteria for membership

Sept '92-Aug '93: Periodic speculation against currencies of European Monetary system

January 1994: Second stage of EMU begins (supervision by European System of Central Banks)

January 1995: Austria, Finland and Sweden join European Union

January 1999: Third stage of EMU begins (irrevocable linking of

January 2002: currencies)
The Euro replaces national currencies in member states

May 2004: Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

Literature

- D. Dinan, *Europe Recast. A History of European Union* (London, 2004)
- P. Gerbet, *La construction de l'Europe* (Paris, 1998)
- J Gillingham, *European Integration, 1950-2003: Superstate or New Market Economy?* (Cambridge, 2003)
- A. Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (London, 1998)
- J. Pinder, *The European Union. A very short introduction* (Oxford, 2003)
- D.W. Urwin, *The Community of Europe: A History of European Integration since 1945* (London, 2004)

Web-Site

History of the EU: <http://www.eu-history.leidenuniv.nl>